

June 2, 2003



## NEWS RELEASE

For Immediate Release

Contact: Toni S. Harris 615/741-4979

Reporters on deadline: home - 646-7161

### THDA Board Provides \$45 Million for Disaster Relief and Economic Recovery

NASHVILLE – The Tennessee Housing Development Agency Board (THDA) voted to provide \$45 million in mortgage funds for those trying to rebuild after last month's storms and tornados.

The funds, approved by THDA's 19-member board last week, will be available to those living in one of the counties declared federal disaster areas. Currently 61 counties have that status.

"As families and communities rebuild, I've asked state departments and agencies to do everything they can to assist in these efforts," Bredesen said. "Rebuilding after this kind of tragedy really must be cooperative effort and this is an excellent example of that effort at work."

"As I've toured the damage across the state, one of the things I've been most concerned about is the number of families living in substandard living conditions. We need to do everything we can to help these families move to safer, more sustainable homes. This initiative will help that effort considerably," Governor Phil Bredesen said.

"This is something that we as a board want to do for the people who have fallen victim from the tornados and devastating storm damage in Tennessee," said H. David Hayes, THDA board chairman. "We are hoping to move families from substandard living conditions and into homeownership."

Varying levels of assistance will be provided under this program, with a priority on very low-income families. Specifically, there will be three tiers of assistance available to families or individuals:

Tier 1: Disaster relief for very low-income households.

- \$10 million made available at 0%
- Borrower must have been directly affected by the disaster
- Income level – not higher than 60% of applicable median
- Down payment assistance grant available up to \$5,000 per applicant (subject to availability of funds - \$500,000 available for first two tiers). Use of funds limited to down payment and closing costs.

Tier 2: Disaster relief for low-income households.

- \$10 million made available at 3%
- Borrower must have been directly affected by the disaster
- Income level – not higher than 80% of applicable median

-more-

Tennessee Housing Development Agency  
404 James Robertson Parkway, Suite 1114  
Nashville, TN 37243-0900

- Down payment assistance grant available up to \$5,000 per applicant (subject to availability of funds - \$500,000 available for first two tiers). Use of funds limited to down payment and closing costs.

Tier 3: Economic recovery for low and moderate income households.

- \$25 million made available at THDA's current rate
- Borrower must live in a county declared a federal disaster area
- Income level – not higher than 120% of applicable median
- No down payment assistance available

Aside from these provisions, all other THDA program rules apply for this initiative. Also, these provisions are unique to this initiative. They do not apply to other THDA programs.

In addition to this initiative, THDA also administers a low-interest mortgage lending program, called the "Great Rate" program, as well as a downpayment assistance initiative, called the "Great Start" program. In addition, the agency also administers several other programs such as rental assistance, low-income housing tax credits, multifamily bond authority and federally funded grants.

"Our mission is to be the lead state agency promoting sound and affordable housing for people who need help. This is just another opportunity to improve a families quality of life," said Janice Myrick, executive director of THDA.

This year, THDA is celebrating 30-years of success in providing the dream of homeownership to families across the state. Since the inception of the agency, THDA has helped over 80,500 families become homeowners.

For more details regarding this program contact your local lenders or log onto THDA's web site at [www.tennessee.gov/thda](http://www.tennessee.gov/thda).

### **Editor Notes: Background on THDA**

- In 1973, the Tennessee Housing Development Agency (THDA) was created by the Tennessee General Assembly. The purpose: address the housing needs of low and moderate income Tennesseans.
- The Agency has a 19-member board of directors appointed from various sectors of the housing industry, with the state government being represented by the Governor's office, the Commission of Finance & Administration and the Constitutional Officers: Secretary of State, State Treasurer and Comptroller of the Treasury.
- Since its creation, THDA has achieved a impressive track record:
  - 80,000 people have become first-time homebuyers through the single-family mortgage program
  - More than \$4.8 billion in bonds have been issued to finance mortgages
  - Over 5,400 Tennesseans have been helped with Section 8 Rental Assistance
  - 27,900 project-based Section 8 units have been administered by the agency
  - 5,811 units of affordable housing have been built or rehabilitated with the HOME Grant Program
  - 24,000+ affordable multi-family units have been constructed
- In addition, THDA has created special programs that have been nationally recognized, such as the Bicentennial Neighborhoods Initiative in the late 1990's.
- The Agency has been a financial success as well, doing a public mission without the use of state tax dollars. Through prudent financial management and investments, THDA has been and continues to be self-supporting.
- Pursuant to the State of Tennessee's policy of non-discrimination, the Tennessee Housing Development Agency does not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service in its policies, or in the admission or access to, or treatment or employment in, its programs, services or activities.
- Equal Employment Opportunity/Affirmative Action inquiries or complaints should be directed to the Tennessee Housing Development Agency EEO/AA, ADA Coordinator Donald L. Harris, Jr., 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900, 615/741-1106; 615/532-2894, TDD; 1-800-228-THDA, toll-free answering machine.